

Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	492.92	0.00	1.00	493.92	0.00	1.00	493.92	493.92
Personal Services	22,208,155	553,531	958,166	23,719,852	717,688	1,969,785	24,895,628	48,615,480
Operating Expenses	8,376,219	139,292	1,471,318	9,986,829	235,404	168,158	8,779,781	18,766,610
Equipment	68,120	(53,120)	0	15,000	(53,120)	0	15,000	30,000
Benefits & Claims	96,915,222	2,598,760	13,353,049	112,867,031	2,659,299	15,404,890	114,979,411	227,846,442
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$127,567,716	\$3,238,463	\$15,782,533	\$146,588,712	\$3,559,271	\$17,542,833	\$148,669,820	\$295,258,532
General Fund	46,584,972	1,519,762	4,115,997	52,220,731	1,816,622	5,280,440	53,682,034	105,902,765
State/Other Special	1,458,428	512,336	2,799,351	4,770,115	513,502	2,214,501	4,186,431	8,956,546
Federal Special	79,524,316	1,206,365	8,867,185	89,597,866	1,229,147	10,047,892	90,801,355	180,399,221
Total Funds	\$127,567,716	\$3,238,463	\$15,782,533	\$146,588,712	\$3,559,271	\$17,542,833	\$148,669,820	\$295,258,532

Program Description

Disability Services Division (DSD) assists Montanans with disabilities in living, working, and participating in their communities. The division provides or contracts for institutional care, residential services, home-based services families, case management, and a variety of employment outcome-related services. These services include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment. DSD is responsible for medical adjudication of all claims for Social Security Disability and Supplemental Security Income. The division is responsible for the state institution at the Montana Developmental Center (MDC) in Boulder.

Vocational Rehabilitation (VR) serves individuals with orthopedic, mental, visual, hearing, brain injury, and other disabilities. Developmentally disabled includes individuals with mental retardation, epilepsy, autism, or other neurological conditions that require treatment similar to those required by someone with mental retardation. The developmental disability must have originated before age 18 and have resulted in a substantial handicap for indefinite duration.

Disability Services Division (DSD) serves the telephone needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled through the Montana Telecommunication Access Program (MTAP).

Statutory Title 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796, et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CRF Part 303

Functions of the Disability Services Division

The Disability Services Division may be summarized into four major functions, as illustrated in Figure 35 on page B-116. The functions and the percentage of the legislative budget that each represents are: 1) vocational rehabilitation services, 12.6 percent; 2) institutional developmental disability services, 15.7 percent; 3) community developmental disability services, 68.3 percent; and 4) disability determination services, 3.4 percent.

As shown in Figure 35, community services for clients with developmental disabilities represent just over \$100 million of the total budget, while vocational rehabilitation and institutional services represent about \$41.3 million. The most common developmental disabilities exhibited by individuals receiving state funded services include mental retardation, autism, cerebral palsy, and other types of brain or neurological damage. More than 70 percent of these individuals have a secondary diagnosis such as epilepsy, cerebral palsy, deafness, blindness, mental illness, and chemical dependency.

Figure 35
Disability Services Division
Summary of Major Program Functions with Funding

Function	Fiscal 2006 Base Budget				Fiscal 2008 Request				Fiscal 2009 Request				Percent of Division Total
	General Fund	State Special	Federal	Total Funds	General Fund	State Special	Federal	Total Funds	General Fund	State Special	Federal	Total Funds	
Vocational Rehabilitation													
Voc. Rehab. Administration	\$815,556	\$0	\$3,017,998	\$3,833,554	\$904,631	\$16,525	\$3,145,277	\$4,066,433	\$906,219	\$28,914	\$3,172,740	\$4,107,873	2.8%
Voc. Rehab. Benefits	1,644,659	0	6,040,584	7,685,243	1,735,169	0	6,200,545	7,935,714	1,843,538	0	6,242,897	8,086,435	5.4%
Visual Services Medical Benefits	84,002	0	0	84,002	84,002	0	0	84,002	84,002	0	0	84,002	0.1%
Independent Living - Admin.	14,340	0	129,223	143,563	16,059	0	144,538	160,597	16,175	0	145,578	161,753	0.1%
Independent Living - Benefits	13,793	0	53,158	66,951	7,628	0	60,256	67,884	9,214	0	60,256	69,470	0.0%
Sec. 110 Blind Low Vision Administration	207,809	0	550,446	758,255	259,602	0	636,710	896,312	260,566	0	640,089	900,655	0.6%
Sec. 110 Blind Low Vision Benefits	188,612	0	703,726	892,338	202,244	0	708,006	910,250	220,717	0	709,543	930,260	0.6%
In Service Training - Administration	7,115	0	68,130	75,245	7,135	0	68,329	75,464	7,138	0	68,358	75,496	0.1%
Supported Employment	0	0	291,453	291,453	0	0	291,453	291,453	0	0	291,453	291,453	0.2%
Independent Living Part B Benefits	361,548	0	200,045	561,593	369,375	0	200,045	569,420	382,681	0	200,045	582,726	0.4%
Independent Living Part B Administration	7,372	0	66,418	73,790	57,846	0	70,693	128,539	57,853	0	70,748	128,601	0.1%
MONTECH Grants	0	0	502,755	502,755	0	0	502,755	502,755	0	0	502,755	502,755	0.3%
Extended Employment Benefits	1,043,775	0	0	1,043,775	1,058,322	0	0	1,058,322	1,083,051	0	0	1,083,051	0.7%
Montana Telecommunications Access Prog.	0	931,196	0	931,196	0	2,017,531	0	2,017,531	0	953,697	0	953,697	1.0%
Social Security Benefits	0	0	183,144	183,144	0	0	183,144	183,144	0	0	183,144	183,144	0.1%
Subtotal Vocational Rehabilitation	<u>\$4,388,581</u>	<u>\$931,196</u>	<u>\$11,807,080</u>	<u>\$17,126,857</u>	<u>\$4,702,013</u>	<u>\$2,034,056</u>	<u>\$12,211,751</u>	<u>\$18,947,820</u>	<u>\$4,871,154</u>	<u>\$982,611</u>	<u>\$12,287,606</u>	<u>\$18,141,371</u>	<u>12.6%</u>
Percent of Total	25.6%	5.4%	68.9%	100.0%	24.8%	10.7%	64.4%	100.0%	26.9%	5.4%	67.7%	100.0%	
Institutions													
Montana Development Center	\$12,743,486	\$47,433	\$0	\$12,790,919	\$13,275,966	\$47,433	\$0	\$13,323,399	\$13,381,396	\$47,433	\$0	\$13,428,829	9.1%
Institutional Medicaid Benefits	0	0	8,343,836	8,343,836	0	0	8,343,836	8,343,836	0	0	8,343,836	8,343,836	5.7%
Montana Development Center Unit 104	1,301,531	0	0	1,301,531	1,422,503	0	0	1,422,503	1,437,672	0	0	1,437,672	1.0%
MDC Unit 16 AB	<u>1,100,354</u>	<u>0</u>	<u>0</u>	<u>1,100,354</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.0%
Subtotal Institutions	<u>\$15,145,371</u>	<u>\$47,433</u>	<u>\$8,343,836</u>	<u>\$23,536,640</u>	<u>\$14,698,469</u>	<u>\$47,433</u>	<u>\$8,343,836</u>	<u>\$23,089,738</u>	<u>\$14,819,068</u>	<u>\$47,433</u>	<u>\$8,343,836</u>	<u>\$23,210,337</u>	<u>15.7%</u>
Percent of Total	64.3%	0.2%	35.5%	100.0%	63.7%	0.2%	36.1%	100.0%	63.8%	0.2%	35.9%	100.0%	
Developmental Disabilities - Community													
Administration	\$1,339,979	\$4,800	\$1,689,827	\$3,034,606	\$2,171,442	\$4,800	\$2,025,813	\$4,202,055	\$2,951,324	\$4,800	\$2,136,471	\$5,092,595	3.1%
Targeted Case Management Administration	606,797	0	930,947	1,537,744	647,547	0	994,359	1,641,906	651,038	0	999,297	1,650,335	1.1%
Targeted Case Management - Adults	460,669	0	1,115,943	1,576,612	1,042,339	0	2,288,446	3,330,785	1,049,661	0	2,281,109	3,330,770	2.3%
DD Medicaid Benefits	18,355,282	0	44,482,013	62,837,295	20,802,727	2,683,826	51,263,801	74,750,354	20,952,074	3,151,587	52,077,207	76,180,868	51.1%
TCM 50/50, PASAAR 2; Rate Project	158,221	0	369,771	527,992	191,462	0	389,388	580,850	193,599	0	391,631	585,230	0.4%
DD General Fund, Title XX	2,607,349	474,999	3,920,766	7,003,114	3,996,009	0	4,860,808	8,856,817	4,158,155	0	4,860,808	9,018,963	6.1%
DD Part C and General Fund Moe	<u>\$3,522,723</u>	<u>0</u>	<u>\$2,252,750</u>	<u>\$5,775,473</u>	<u>\$3,968,723</u>	<u>0</u>	<u>\$2,252,750</u>	<u>\$6,221,473</u>	<u>\$4,035,961</u>	<u>\$0</u>	<u>\$2,252,750</u>	<u>\$6,288,711</u>	4.2%
Subtotal Developmental Disabilities-Comm.	<u>\$27,051,020</u>	<u>\$479,799</u>	<u>\$54,762,017</u>	<u>\$82,292,836</u>	<u>\$32,820,249</u>	<u>\$2,688,626</u>	<u>\$64,075,365</u>	<u>\$99,584,240</u>	<u>\$33,991,812</u>	<u>\$3,156,387</u>	<u>\$64,999,273</u>	<u>\$102,147,472</u>	<u>68.3%</u>
Percent of Total	32.9%	0.6%	66.5%	100.0%	33.0%	2.7%	64.3%	100.0%	33.3%	3.1%	63.6%	100.0%	
Other													
Disability Determination Services	<u>\$0</u>	<u>\$0</u>	<u>\$4,611,383</u>	<u>\$4,611,383</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,966,914</u>	<u>\$4,966,914</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,170,640</u>	<u>\$5,170,640</u>	3.4%
Subtotal Other	<u>\$0</u>	<u>\$0</u>	<u>\$4,611,383</u>	<u>\$4,611,383</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,966,914</u>	<u>\$4,966,914</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,170,640</u>	<u>\$5,170,640</u>	3.4%
Percent of Total	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	
Total Disability Services Division	<u><u>\$46,584,972</u></u>	<u><u>\$1,458,428</u></u>	<u><u>\$79,524,316</u></u>	<u><u>\$127,567,716</u></u>	<u><u>\$52,220,731</u></u>	<u><u>\$4,770,115</u></u>	<u><u>\$89,597,866</u></u>	<u><u>\$146,588,712</u></u>	<u><u>\$53,682,034</u></u>	<u><u>\$4,186,431</u></u>	<u><u>\$90,801,355</u></u>	<u><u>\$148,669,820</u></u>	<u><u>100.0%</u></u>
Percent of Total	36.5%	1.1%	62.3%	100.0%	35.6%	3.3%	61.1%	100.0%	36.1%	2.8%	61.1%	100.0%	

Program Highlights

Disability Services Division Major Budget Highlights	
♦	The legislative budget for the 2009 biennium is about \$35.7 million greater than the legislative budget for the 2007 biennium comprising, an increase in general fund support of about \$11.7 million, state special revenue of \$5.1 million, and federal funds of \$18.8 million
The legislature:	
♦	Approved general fund increases of \$15.6 million primarily for: <ul style="list-style-type: none"> • Direct care worker wage increases - \$3.5 million • The rate rebasing project - \$3.4 million • Federal Medical Assistance Percentage (FMAP) increases - \$2.9 million • Annualization of cost plans for clients moving into communities - \$1.4 million • The 2009 biennium pay and retirement plans in HB 13, HB 63, and HB 131 - \$2.1 million • Reducing the Developmentally Disabled (DD) waiting list - \$1.0 million • The Montana Developmental Center - \$0.9 million • Vocational Rehabilitation Provider rate increases - \$0.4 million
♦	Provided decreases to the general fund primarily comprising: <ul style="list-style-type: none"> • \$3.0 million to reduce the executive request addressing the DD waiting list from \$4.0 general fund to \$1.0 million • \$0.95 million to shift general fund to I-149 funds
♦	Increased state special revenue nearly \$6.0 million for: <ul style="list-style-type: none"> • The rate rebasing project - \$3.9 million • A funding switch from the general fund to I-149 funds - \$0.9 million • Contingent authority for the Montana Telecommunication Access Program in anticipation of a federal funding shift - \$1.0 million
♦	Increased federal revenue authority for: <ul style="list-style-type: none"> • The rate rebasing project - \$10.7 million • Direct care worker wage increases - \$3.4 million • Annualization of cost plans for clients moving into communities - \$3.4 million • DD waiting list reduction - \$2.2 million • Federal authority for anticipated grants and waiver services - \$2.0 million • The 2009 biennium pay and retirement plans in HB 13, HB 63, and HB 131 - \$0.7 million

Program Narrative

Biennial Comparison

The 2009 biennium budget for the Disability Services Division reflects a total fund increase of \$35.7 million over the legislative appropriation for the 2007 biennium and the supplemental appropriation of \$1.6 million general fund from HB 3 of the 2007 regular session for MDC. The supplemental was allocated to personal services. Nearly all of the increase, \$31.3 million, is for benefits and claims and due primarily to: 1) legislative initiatives to increase funding for provider rates and direct care worker wage increases; 2) a rate rebasing project for disability services providers; 3) efforts to move more individuals off of the waiting list for community services; and 4) an increase in tuition for vocational rehabilitation clients. In addition to the supplemental appropriation, the increase in personal services is due to the implementation of the pay and retirement plans approved by the legislature in HB 13, HB 63, and HB 131, as well as statewide present law adjustments for class upgrades and salary adjustments to market, benefits, longevity, and health insurance.

Benefits and Claims

The increases in benefits are illustrated in the following Figure 37 on page B-119. While support Services for developmentally disabled clients in the community comprise 68.3 percents of the division's budget, the related Medicaid benefits comprising state and federal funds of over \$150 million for the biennium account for 66.2 percent of the total benefits for the division and the largest share of the legislative budget.

One institution, the Montana Developmental Center (MDC), serves a disabled population identified as a danger to themselves or others. MDC is supported with general fund of about \$26.7 million over the biennium, and receives about \$16.6 million of Medicaid reimbursement for Medicaid eligible clients, which is 7.3 percent of division's benefits. Reimbursements are not predicted to increase because clients are moving from MDC into the community.

Vocational rehabilitation services account for \$37.0 million over the biennium. Of that amount, about \$23.0 million is revenue from a myriad of non-Medicaid grants and programs comprises about 10.0 percent of the benefit funding.

The General Fund/Title XX line is nearly 8 percent of the benefits and claims total, representing various non-Medicaid benefits. The increase is related to the FMAP change, rate rebasing, and annualization of client cost plans.

Budget Item/Fund	2007 Biennium	2009 Biennium	Percent of Total	Change	Percent Incr/Decr
FTE	492.92	492.92		-	
Personal Services *	\$ 45,482,673	\$ 48,615,480	16.5%	\$ 3,132,807	6.9%
Operating	17,383,154	18,766,610	6.4%	1,383,456	8.0%
Equipment	138,753	30,000	0.0%	(108,753)	-78.4%
Benefits&Claims	196,580,429	227,846,442	77.2%	31,266,013	15.9%
Debt Service	10,688	-	0.0%	(10,688)	-100.0%
Total Costs	<u>\$ 259,595,697</u>	<u>\$ 295,258,532</u>	<u>100.0%</u>	<u>\$ 35,662,835</u>	<u>-147.6%</u>
General Fund *	\$ 94,165,994	\$ 105,902,765	35.9%	\$ 11,736,771	12.5%
State Special	3,851,650	8,956,546	3.0%	5,104,896	132.5%
Federal Funds	<u>161,578,053</u>	<u>180,399,221</u>	<u>61.1%</u>	<u>18,821,168</u>	<u>11.6%</u>
Total Funds	<u>\$ 259,595,697</u>	<u>\$ 295,258,532</u>	<u>100.0%</u>	<u>\$ 35,662,835</u>	<u>13.7%</u>

* Includes \$1,603,291 general fund from the supplemental appropriation in HB 3

Figure 37
Disability Services Division
Summary of Benefits Costs with Funding

Description	Fiscal 2006 - Base Budget				Fiscal 2008 Request				Fiscal 2009 Request				Percent Total
	General Fund	State Spec. Rev	Federal Funds	Total Funds	General Fund	State Spec. Rev	Federal Funds	Total Funds	General Fund	State Spec. Rev	Federal Funds	Total Funds	
Benefits and Claims													
Voc. Rehab. Benefits	\$1,643,054	\$0	\$6,034,951	\$7,678,005	\$1,735,300	\$0	\$6,200,676	\$7,935,976	\$1,843,669	\$0	\$6,243,028	\$8,086,697	7.0%
Visual Services Medical Benefits	84,002	0	0	84,002	84,002	0	0	84,002	84,002	0	0	84,002	0.1%
Independent Living - Benefits	13,793	0	53,158	66,951	7,628	0	60,256	67,884	9,214	0	60,256	69,470	0.1%
Sec. 110 Blind Low Vision Benefits	188,586	0	703,726	892,312	202,218	0	708,006	910,224	220,691	0	709,543	930,234	0.8%
Supported Employment	0	0	291,453	291,453	0	0	291,453	291,453	0	0	291,453	291,453	0.3%
Independent Living Part B Benefits	361,548	0	200,045	561,593	369,375	0	200,045	569,420	382,681	0	200,045	582,726	0.5%
MONTECH Grants	0	0	502,755	502,755	0	0	502,755	502,755	0	0	502,755	502,755	0.4%
Extended Employment Benefits	1,043,775	0	0	1,043,775	1,058,322	0	0	1,058,322	1,083,051	0	0	1,083,051	0.9%
Social Security Benefits	0	0	183,144	183,144	0	0	183,144	183,144	0	0	183,144	183,144	0.2%
MDC Medicaid	0	0	8,343,836	8,343,836	0	0	8,343,836	8,343,836	0	0	8,343,836	8,343,836	7.3%
Medicaid Benefits	18,355,282	0	44,482,013	62,837,295	20,741,352	2,675,908	51,112,555	74,529,814	20,929,146	3,148,138	52,020,218	76,097,502	66.2%
Part C and General Fund Benefits	3,474,306	0	2,221,788	5,696,094	3,881,430	0	2,203,201	6,084,631	3,976,725	0	2,219,687	6,196,412	5.4%
General Fund, Title XX, Other Benefits	2,607,349	474,999	3,920,766	7,003,114	3,968,582	0	4,827,446	8,796,028	4,152,671	0	4,854,398	9,007,069	7.8%
DD Targeted Case Management Adult	460,669	0	1,115,943	1,576,612	1,040,931	0	2,285,354	3,326,285	1,049,384	0	2,280,506	3,329,890	2.9%
PASAAR Benefits	0	0	111,659	111,659	0	0	132,673	132,673	0	0	135,814	135,814	0.1%
Disability Determination Services	0	0	42,622	42,622	0	0	50,584	50,584	0	0	55,356	55,356	0.0%
Total Benefits and Grants	<u>\$ 28,232,364</u>	<u>\$474,999</u>	<u>\$68,207,859</u>	<u>\$96,915,222</u>	<u>\$33,089,140</u>	<u>\$2,675,908</u>	<u>\$77,101,983</u>	<u>\$112,867,031</u>	<u>\$33,731,234</u>	<u>\$3,148,138</u>	<u>\$78,100,039</u>	<u>\$114,979,411</u>	<u>100.0%</u>

Legislative Discussion

Legislative discussion was driven by interest in: 1) the delivery of services to Montana's developmentally disabled population through a statewide infrastructure that provides services in a community setting as well as services provided at MDC; 2) the waiting list for community services; 3) wages and benefits paid to direct care workers; 4) provider rate increases; and 4) goals and objectives related to ongoing program evaluation and initiatives implemented by the 2005 Legislature that responded to the provision of community services through the federal Olmstead Act and state settlement of the Travis D case.

The legislature addressed these issues through appropriations of nearly \$31 million comprising:

1. \$18.0 million to strengthen the infrastructure for community services for developmentally disabled individuals through a rate rebasing project for community providers - \$3.4 million general fund, \$3.9 million state special revenue, and \$10.7 million federal revenue
2. \$5.4 million to increase direct care worker wages throughout the state - \$2.0 million general fund and \$3.4 million federal funds
3. \$4 million to annualize cost plans for clients moving into the community - \$1.4 million general fund and \$3.4 million federal funds
4. \$3.2 million to reduce the waiting list for individuals requesting services in their communities - \$1.0 million general fund and \$2.2 million federal funds
5. \$0.3 million to increase provider rates for the vocational rehabilitation program – \$0.338 million general fund and \$4,000 federal funds

Rate Rebasing

Under federal mandate, the division undertook a project to:

1. Implement a formula-based system with an established price structure for services selected by the consumer rather than governed by the provider's contract with the state;
2. Implement consumer choice among providers and the portability of services from location to location; and
3. Rebase provider rates and establish pilot phases to test them.

Throughout the pilot phases, the division gathered detailed data from providers on all aspects of their costs and the application of those costs to conducting business under the standardized rate and billing structure. The rates were based upon benchmarks and incorporated into the legislative budget. The proposed rates comprise four factors:

1. Direct care wage rate;
2. Employee benefits;
3. Program related costs; and
4. General and administrative costs.

Program related costs were benchmarked at varying rates depending upon the service and geographic remoteness. A geographical factor increases reimbursement rates for some services provided in areas ranking highest in several factors related to costs of housing, labor, etc.

The benchmarks shown in Figure 38 are examples for certain services. The benchmarks do not mean providers are required to pay costs at the rate, but that the reimbursement rate is adequate to pay costs at the specified level. Providers, using funds from the \$18 million appropriation, maintain freedom to establish employee wages, benefits, and other costs. (In another appropriation, which is discussed in the next section, the legislature approved \$5.6 million to increase direct care worker wages throughout the state that is restricted to raising the lowest paid direct care workers to \$8.50 an hour and raise related benefits.)

Figure 38					
Published Rates Benchmarks					
Component	Individual Supported Employment	Group Home (Regular / Geo 1 - 6 sites)	Day Activity Programs (No Geo)	Supported Living (More than 4 individuals)	
Direct Care Wage	\$16.00	\$8.56	\$8.56	\$8.56	
Employee Benefits	40.13%	40.13%	40.13%	40.13%	
Program Related	27.70%	25.00%	27.70%	25.00%	
General & Admin	7.00%	7.00%	7.00%	12.00%	
Base Hourly Rate	33.34	17.19	17.84	18.17	
Selected Proposed Capitated Rates					
Service	Hourly Rate	Mean Hrs. /Day	Days / Month	Hours/ Month	Per Member per Month
Supported Employment Tier #1	\$33.34	1.00	21.00	21.00	\$700.14
Supported Living Base - 30 hrs./ mo.	18.17	1.00	30.45	30.50	553.28

Figure 39 Child Provider Rates	
Service	Rate
Family Support Specialist	\$483.22 per month
Family Education and Training	\$36.67 per hour
Residential Habilitation (non-facility direct care)	\$18.17 per hour
Residential Habilitation (individual training materials)	\$1,000 per year
Respite Care (direct care)	\$12.96 per hour
Respite Care (individual care items)	\$1,000 per year
Day Habilitation	\$17.84 per hour
Therapies	State Medicaid Plan

Initial child provider rates have been established for children who are enrolled in home and community-based waiver services and will be tested in pilot projects over the 2009 biennium. The rates are based upon data gathered in studies of all providers as well as through a resource allocation tool that was completed by the families showing the amount of services they would choose. Figure 39 shows the initial amounts that will be tested.

Ultimately, all providers will invoice based upon the service and volume of service units provided to a specific client, and will be

reimbursed according to a uniform, published fee schedule.

In the discussion of rate rebasing and in the context of state wide DD infrastructure support and development, the legislature also discussed:

1. Direct care worker salaries and vacancies relative to the potential impact to the clients as well as the health and safety of present staff, and the financial health of the provider;
2. A diminishing labor market for direct care workers throughout the state; and
3. The ability of providers to serve the clients they have as well as accept new clients from the waiting lists.

Support for the Statewide Infrastructure

The legislature approved two initiatives across the department to address staff retention and provision of services at the provider level.

The first initiative, direct care work wage increases, requires service providers who opt to accept the funding to raise the lowest paid direct care worker wages to \$8.50 an hour, raise related benefits and, with any remaining funds, raise direct care worker wages by \$0.70 per hour also including benefits. However, because this division was already addressing direct care worker wages in rate rebasing project, its appropriation included funding for a \$0.19 per hour increase, not \$0.70 per hour. The appropriation for the division totals \$5.6 million.

The second initiative incorporates a 2.5 percent provider rate increase each year of the biennium, which Disability Services proposes to apply to providers of vocational rehabilitation services. The appropriation for the division totals \$0.5 million.

As mentioned earlier, providing care to individuals in their communities has been a concern spanning several sessions. The legislature addressed two appropriations that grew from past legislative action including:

1. Funding to annualize cost plans for 18 individuals that moved to community services due to the closure of Unit 16AB at MDC. The cost plans are estimated at \$100,000 per year over the biennium for an appropriation of \$4 million at the Medicaid matching rate of 32 percent state general fund and about 68 percent federal funds.
2. Funding to reduce the waiting list for individuals requesting services in their communities of \$3.2 million. At the time of legislative discussion, there were about 500 individuals throughout the state receiving no services, and about 800 individuals receiving some services.

Reduction of the waiting list is on-going and occasionally complicated by the need to serve children aging out of foster care services or intensive Medicaid waiver services that must be placed into community services. The division, by law, must place the individuals and does not have an option to move them to the 'end of the waiting list.' The division estimated during the session that there are approximately 25 individuals that may come into the system in the next few years. There is further discussion at DP10010 in the new proposal section.

The legislature also passed HB 64, which assists community placement. The bill revises the definition of "seriously developmentally disabled" for the purpose of commitment to a community-based residential care facilities with the elimination of the requirement that an individual have a disability so severe that he or she needs "total care".

Institutional Population

MDC is a general fund institution operating 24-hour days, 7-days-a-week that receives Medicaid reimbursements for eligible clients. The legislature addressed the support of MDC in light of a population that is difficult to serve due to behavioral issues, criminal commitments, and severity of medical issues by providing: 1) a \$1.6 million general fund supplemental appropriation in HB 3 to support staffing and overtime for FY 2007; and 2) a present law adjustment of \$900,000 general fund over the 2009 biennium to continue support of the staffing needs of MDC and maintain Medicaid certification. Overtime and differential pay must be requested each biennium.

The population of MDC, estimated to be 68 per year over the 2009 biennium, must meet the definition of "a danger to themselves and others". Individuals arrive at MDC by a civil commitment, a criminal commitment, or by a court referral for short term evaluation of their fitness to proceed in criminal cases. Civil commitments are for no longer than one year. In criminal cases, if an individual is capable to stand trial and found guilty, but placement to the correctional system is determined inappropriate, the individual can be committed to MDC as a criminal to serve a criminal sentence. The state must take an individual for an emergency civil commitment or for a criminal sentence. Figure 40 shows MDC appropriation and population estimates.

Figure 40 Montana Developmental Center Expenditures				
	Actual FY 2004	Actual FY 2006	Appropriated FY 2008	Appropriated FY 2009
FTE	327.26	268.80	268.80	268.80
Personal Services	\$13,782,326	\$12,332,832	\$11,842,717	\$11,963,777
All other	2,516,110	2,859,972	2,903,185	2,902,724
Total	<u>\$16,298,436</u>	<u>\$15,192,804</u>	<u>\$14,745,902</u>	<u>\$14,866,501</u>
General Fund	\$16,249,031	\$15,145,371	\$14,698,469	\$14,819,068
State Special Rev.	49,405	47,433	47,433	47,433
Federal Special	0	0	0	0
	<u>\$16,298,436</u>	<u>\$15,192,804</u>	<u>\$14,745,902</u>	<u>\$14,866,501</u>
Population	84	78	68	68
Cost Per Person	\$194,029	\$194,780	\$216,852	\$218,625
Cost Per Day	\$532	\$534	\$594	\$599
Federal Reimbursements	\$13,694,871	\$8,343,836	\$8,343,836	\$8,343,836

Litigation

At the start of the session the department was still under pending litigation that was filed in September, 2002 by the Montana Association for Independent Disability Services, Inc. (MAIDS) and several individuals with developmental disabilities. MAIDS is a non-profit organization comprised of entities providing community-based services to individuals with developmental disabilities. This suit alleged that the disparity in wages and benefits paid to employees of community based providers, versus the wages and benefits paid to employees of state institutions, has resulted in irreparable and unnecessary harm to the plaintiffs. The plaintiffs alleged that several statutory and constitutional provisions have been violated and seek: 1) to have the wage and benefit disparity between employees of state run institutions and community providers eliminated; and 2) to have uniform Medicaid reimbursement rates established.

The court was scheduled to hear this lawsuit in April of 2007. However, the parties agreed to settle the suit during the session. As of early June, 2007, DPHHS and MAIDS have reached an agreement regarding the settlement and are developing details for the notification to members of the class action and their representatives.

Changes to the Executive Budget

The legislature:

1. Reduced the original HB2 executive request to place individuals presently on the DD waiting list into developmentally disabled community services by more than \$8.0 million. The original request was \$11.4 million. The legislature provided \$3.2 million over the biennium comprising \$1.0 million general fund and \$2.2 million federal revenue.
2. Provided increases of:
 - \$5.7 million over the biennium for direct care worker wages and provider rate increases; and
 - \$2.8 million over the biennium for pay and retirement plans via HB 13, HB 63, and HB 131

Goals and Objectives

In addition to the items discussed above, the legislature also discussed components in the division's goals and objectives that addressed health services savings accounts for individuals with disabilities, the acquisition of communication equipment for clients with hearing loss, a speech disability, or a mobility disability, and the continued efficiency of Disability Determination Services

In accordance with legislative interest in the use of goals and objectives as part of the legislative decision making process and ongoing program evaluation, the legislature included language in HB 2 requesting that the division report its progress toward the goals and objectives throughout the interim to the Legislative Finance Committee and the Children, Families, Health, and Human Services Interim Committee. The goals and objectives for the division may be found at: <http://www.dphhs.mt.gov/2007leg/bfsd.pdf>

The Governor vetoed reporting language in HB 2.

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Disability Services Division						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 46,584,972	36.5%	\$ 52,220,731	35.6%	\$ 53,682,034	36.1%
01100 General Fund	46,584,972	36.5%	52,220,731	35.6%	53,682,034	36.1%
02000 Total State Special Funds	1,458,428	1.1%	4,770,115	3.3%	4,186,431	2.8%
02035 Mdc Vocational	47,433	0.0%	47,433	0.0%	47,433	0.0%
02159 Handicapped Telecommunications	931,196	0.7%	2,034,056	1.4%	982,611	0.7%
02475 Ddp Training Fund	4,800	0.0%	4,800	0.0%	4,800	0.0%
02761 Medicaid Pilot Program Dd	-	-	16,000	0.0%	16,000	0.0%
02772 Tobacco Hlth & Medica Initiative	474,999	0.4%	2,667,826	1.8%	3,135,587	2.1%
03000 Total Federal Special Funds	79,524,316	62.3%	89,597,866	61.1%	90,801,355	61.1%
03024 Soc Sec - Trust Funds	183,144	0.1%	183,144	0.1%	183,144	0.1%
03554 84.169 - Independent Living 90	266,463	0.2%	272,794	0.2%	275,133	0.2%
03555 84.177 - Indep Living Old Blin	182,381	0.1%	208,370	0.1%	214,313	0.1%
03556 84.181 - Part H - Early Interv	1,651,181	1.3%	1,651,181	1.1%	1,651,181	1.1%
03557 84.187 - Vic Sup Employment	291,302	0.2%	291,453	0.2%	291,453	0.2%
03558 84.224 - Mon Tech 100%	502,755	0.4%	502,755	0.3%	502,755	0.3%
03559 84.265 - In Service Training 9	64,188	0.1%	68,329	0.0%	68,358	0.0%
03579 93.667 - Ssbgs - Benefits	4,462,376	3.5%	4,462,376	3.0%	4,462,376	3.0%
03580 6901-93.778 - Med Adm 50%	369,998	0.3%	384,759	0.3%	386,829	0.3%
03583 93.778 - Med Ben Fmap	54,001,494	42.3%	62,899,885	42.9%	63,707,904	42.9%
03588 93.802 - Disabil Deter Adm 100	4,611,383	3.6%	4,966,914	3.4%	5,170,640	3.5%
03599 03 Indirect Activity Prog 10	2,591,058	2.0%	2,992,779	2.0%	3,108,451	2.1%
03604 84.126 - Rehab-Sec110 A 78.7%	10,316,847	8.1%	10,683,381	7.3%	10,749,072	7.2%
03702 6901-Rural Transportatn Access	29,746	0.0%	29,746	0.0%	29,746	0.0%
Grand Total	\$ 127,567,716	100.0%	\$ 146,588,712	100.0%	\$ 148,669,820	100.0%

Disability Services Division (DSD) is funded with a combination of 36 percent general fund, 3 percent state special revenue, and 61 percent federal funds. Most general fund support is used to draw down federal matching funds. The matching ratio for federal programs administered by the division varies. However, the most common ratios are:

- Medicaid services are funded at the federal medical assistance participation rate (FMAP), which is generally about 32 percent state funds and 68 percent federal funds
- Medicaid administrative costs are funded on a 50/50 ratio of state and federal funds
- Vocational Rehabilitation services are funded on a 21/79 ratio of state and federal funds
- Disability determination services are funded entirely with federal funds
- The Montana Developmental Center (MDC) is funded entirely with general fund. Medicaid reimbursements for services provided at MDC are first used to repay bond debt and the remaining balance is deposited in the general fund

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----					-----Fiscal 2009-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				1,013,428						1,184,453
Vacancy Savings				(928,857)						(935,725)
Inflation/Deflation				95,656						104,163
Fixed Costs				(152,703)						(167,622)
Total Statewide Present Law Adjustments				\$27,524						\$185,269
DP 6015 - State Motor Pool Rate Change										
0.00	(513)	(422)	(78)	(1,013)	0.00	(528)	(436)	(81)	(1,045)	
DP 10001 - Adjust I-149 Funding										
0.00	(475,001)	475,001	0	0	0.00	(475,001)	475,001	0	0	
DP 10002 - FMAP Adjustment										
0.00	1,398,752	0	(1,398,752)	0	0.00	1,540,649	0	(1,540,649)	0	
DP 10003 - Annualization of Community Services Cost Plans										
0.00	695,174	0	1,671,368	2,366,542	0.00	701,609	0	1,664,933	2,366,542	
DP 10004 - MDC Base Adjustments (Biennial)										
0.00	439,448	0	0	439,448	0.00	449,601	0	0	449,601	
DP 10005 - DSD Rent for non-state facilities										
0.00	5,587	2,510	16,088	24,185	0.00	10,366	3,195	27,079	40,640	
DP 10007 - Disability Determination Services Base Adjustments										
0.00	0	0	157,521	157,521	0.00	0	0	238,241	238,241	
DP 10008 - VR Tuition Increases										
0.00	44,359	0	163,897	208,256	0.00	56,237	0	207,786	264,023	
DP 10020 - Health Services Accounts										
0.00	0	16,000	0	16,000	0.00	0	16,000	0	16,000	
Total Other Present Law Adjustments										
0.00	\$2,107,806	\$493,089	\$610,044	\$3,210,939	0.00	\$2,282,933	\$493,760	\$597,309	\$3,374,002	
Grand Total All Present Law Adjustments				\$3,238,463						\$3,559,271

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

DP 10001 - Adjust I-149 Funding - The legislature included replacement of \$475,000 of general fund with state special revenue I-149 funds each year of the biennium. The 2005 Legislature appropriated funding for the 2007 biennium to support increasing the direct care worker salary benchmark in the DD provider published rate schedule from the 25th to 35th percentile of comparable salaries using both general fund and I-149 funds. However, to allow the I-149 balance to build, the 2005 Legislature appropriated general fund for FY 2006 and state special revenue for FY 2007, which placed \$450,000 in general fund in the base year. The unintended consequence is that general fund rather than I-149 funding was included for both years of the 2009 biennium and no I-149 funds were used. This appropriation establishes the funding as intended by the 2005 Legislature.

DP 10002 - FMAP Adjustment - The legislature added general fund of almost \$2.9 million over the biennium to offset the decrease in federal funds from the projected change in Federal Medical Assistance Percentage (FMAP) rates for FY 2008 and FY 2009, and maintain current activities. The projected FMAP rate for FY 2008 is 68.62 percent and 68.40 percent for FY 2009, as compared to the base year FMAP of 70.76 percent for FY 2006. Please refer to the agency narrative for a discussion of the federal Medicaid matching rates.

DP 10003 - Annualization of Community Services Cost Plans - The legislature included \$1.4 million general fund and \$3.3 million federal funds over the biennium to support annualized cost plans for 18 individuals in developmental disability community services. The appropriated funding for these individuals was unused in FY 2006 due to the timing of the closure of Unit 16 AB at the Montana Developmental Center, and because some 16 AB clients could not be immediately placed in the community. The unused portion of the appropriation was reverted and is not in the base. This appropriation restores the funding at the Medicaid program matching rate of approximately 32 percent state general fund to approximately 68 percent federal funds. Funding supports 18 clients with cost plans estimated at \$100,000 in the 2009 biennium.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification and Goal: The Developmental Disabilities Program (DDP) expects to move 18 individuals from the Montana Developmental Center (MDC) unit 16 AB into community services by the summer of 2007.

Performance Criteria, Milestones: The individuals will be in community service settings and receive uninterrupted services. Staff will monitor program budgets monthly and provide updates to LFD staff for submission to members of the Joint Appropriations Health and Human Services Subcommittee, and if indicated, to the Legislative Finance committee. The updates should include the number of individuals moved into the community, which community they entered, and the provider serving them. Additionally, updates are requested to show the number of crisis incidents and clients that had to be relocated to MDC or another community, and why.

Obstacles and risks: Community services must be provided. This appropriation attempts to secure the provision of services to avoid reducing or cutting services in other areas.

DP 10004 - MDC Base Adjustments (Biennial) - The legislature approved a biennial appropriation of nearly \$0.9 million general fund to maintain Montana Developmental Center (MDC) staffing requirements for its 24-hour day, 7-days-a-week services. The appropriation is designated biennial to assist MDC through the transition of the closure of Unit 16 AB and movement of individuals from MDC into the community.

DP 10005 - DSD Rent for non-state facilities - The legislature approved \$15,953 of general fund, \$5,705 of state special revenue, and \$43,167 of federal funds over the biennium for rent of non-state facilities. The funding is primarily related to increases that are built into the lease agreements for field offices in non-Department of Administration buildings for the Developmental Disabilities and Vocational Rehabilitation programs.

DP 10007 - Disability Determination Services Base Adjustments - The legislature included an increase of \$395,762 in federal funds over the biennium to address the workload increase for Disability Determination Services including:

- Overtime of approximately \$22,816 each year to help process the workload in an electronic environment to meet SSA required productivity levels while addressing the number of pending cases
- An increase in 'other services' for medical consultants to review all cases cleared through the DDS as mandated by federal law (Cases are projected to return toward the historical average with estimates of 11,357 FY 2008 and 12,493 clearances in FY 2009. The increase results in the total \$120,446 in FY 2008 and \$193,150 in FY 2009.)
- An increase for rent to about \$16,000 over the biennium for the DDS office
- Reimbursement for required travel for disability claimants to consultative examinations that are reimbursed at state per diem rates (Projections based on the increase in case clearances mentioned above were funded at \$7,962 in FY 2008 and \$12,734 for FY 2009.)

DP 10008 - VR Tuition Increases - The legislature appropriated just over \$100,000 of general fund and \$370,000 of federal funds over the biennium to provide a 5 percent tuition increase for non-state schools, and no increase for state schools. The funds, which are a portion of the Vocational Rehabilitation benefits, would offset increases in tuition costs and maintain current level services that assist individuals with disabilities to return to work. Tuition historically represents about 43 percent of all benefits. This appropriation increases funds for tuition to \$3.92 million in FY 2008 and \$3.98 million in FY 2009. Funding for this appropriation is split 21.30 percent general fund and 78.70 percent federal funds.

DP 10020 - Health Services Accounts - The legislature appropriated \$16,000 in state special revenue each year of the biennium to continue the Medicaid pilot program to create waiver services savings accounts for individuals with developmental disabilities. The original funding was appropriated in the 2005 Session via SB 433 for DSD to implement the pilot program.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2008-----				-----Fiscal 2009-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2009 Biennium Pay Plan - HB 13										
10	0.00	649,209	16,292	228,718	894,219	0.00	1,422,965	28,672	452,915	1,904,552
DP 6014 - Retirement Employer Contributions - HB63 & HB131										
10	0.00	17,823	233	5,112	23,168	0.00	18,900	242	5,271	24,413
DP 10009 - Montana Youth Leadership Forum (MYLF)										
10	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 10010 - DD Wait List Reduction (Restricted)										
10	0.00	500,000	0	1,093,372	1,593,372	0.00	500,000	0	1,082,278	1,582,278
DP 10011 - DD Rate Rebasing										
10	0.00	1,582,172	1,717,826	4,869,677	8,169,675	0.00	1,814,413	2,185,587	5,840,515	9,840,515
DP 10016 - DD Crisis Funding										
10	0.00	120,000	0	0	120,000	0.00	120,000	0	0	120,000
DP 10018 - MTAP new technologies (Restricted / Biennial)										
10	0.00	0	1,065,000	0	1,065,000	0.00	0	0	0	0
DP 10021 - Developmental Disabilities Program - Fed Authority										
10	0.00	0	0	1,000,000	1,000,000	0.00	0	0	1,000,000	1,000,000
DP 10026 - VR Transition Counselor										
10	1.00	55,283	0	0	55,283	1.00	51,884	0	0	51,884
DP 10501 - Provider Rate Increases (Restricted)										
10	0.00	91,422	0	1,916	93,338	0.00	246,847	0	3,866	250,713
DP 10601 - Direct Care Worker Wage Increases (Restricted)										
10	0.00	1,050,088	0	1,668,390	2,718,478	0.00	1,055,431	0	1,663,047	2,718,478
Total	1.00	\$4,115,997	\$2,799,351	\$8,867,185	\$15,782,533	1.00	\$5,280,440	\$2,214,501	\$10,047,892	\$17,542,833

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan in HB 13 of the regular session that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB63 & HB131 - The legislature adopted HB63 and HB131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

DP 10009 - Montana Youth Leadership Forum (MYLF) - The legislature appropriated \$100,000 general fund over the biennium to support the Montana Youth Leadership Forum (MYLF) for youth with disabilities, including Indian students on Montana reservations.

At 5 days intensive training, youth with disabilities cultivate leadership, citizenship, and social skills. They work on goals while developing a personal leadership plan and a resource plan. So far, 108 Montana youth have completed the program. The 2005 Legislature appropriated \$50,000 per year through HB 550 for the summer of 2005 and the summer of 2006 to help fund the program.

DP 10010 - DD Wait List Reduction (Restricted) - The legislature provided \$1.0 million general fund and \$2.2 million federal funds over the biennium that are restricted to support individuals currently on the developmental disability community services waiting list.

DP 10011 - DD Rate Rebasing - The legislature appropriated \$18.0 million comprising \$3.4 million general fund, \$3.9 million in state special revenue funds, and \$10.7 million federal funds over the biennium, to support adjustments of the developmental disability program provider rates.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: The objective is to compensate DDP providers at a standardized rate allowing them to maintain and elevate the quality of care for our DDP clients statewide. While some DDP providers provide Vocational Rehabilitation services and/or may operate recycling operations, there is little alternative to increase revenues except from legislative increases.

Funding supports case management services rates and adult services rate rebasing as well as an employee wage benchmark based on reported case manager wage data. Providers hope to reduce caseloads, allowing case managers to provide quality service as the program transitions to a standardized rate system with individualized services and individualized budgets. Other services addressed by this funding are children's family education and support services (FESS) and DDP waiver transportation services, which are not currently in a standardized rate system.

Goals, Performance Criteria, and Milestones: The goal is to maintain or elevate quality care for DDP clients by upholding a strong provider financial and programmatic infrastructure that will facilitate community services for individuals with developmental disabilities and continue of the vision for community integration.

The program intends to perform a similar rebasing effort every two years in advance of each legislative session. The data received should be sufficient to gauge the level of success achieved by increasing the standardized rates. The program should be able to determine whether the increases have kept pace with inflation and whether staff turnover rates and vacancy periods have declined. The program should be able to determine if providers have made choices to adjust costs and thus bring their costs more in line with other providers, and in line with their revenues. Eventually, the standard deviation of the costs around the average should decline. Revised standardized rates will be effective July 1, 2007 that will reflect the increases coming from this budget request.

Funding: Funding is a mix of Medicaid program matching rate of approximately 32 percent state general fund to approximately 68 percent federal funds for Medicaid waiver services and state plan case management services; general fund for the increases to FESS services; general fund for increases to non-Medicaid services; and a small amount of Medicaid Admin at a 50 percent state general fund to a 50 percent federal fund match related to case management eligibility determination. There is also a continuation of I-149 funds.

Obstacles and Risks: Providers are experiencing increases in direct care staff turnover and extended periods of having those positions remain vacant for a lack of interest by the labor market. This poses a problem for providers in the new rate system because they can only invoice for direct care services provided when the direct care staff are present to provide the service and could possibly lead to the ruin of the provider organization and again negatively impact the quality of care for DDP clients.

DP 10016 - DD Crisis Funding - The legislature provided one-time-only funding of \$240,000 general fund over the biennium to support services for individuals in crisis in the community setting. The Travis D settlement includes funding for \$200,000 per year to support crisis situations.

DP 10018 - MTAP new technologies (Restricted / Biennial) - The legislature approved a restricted, biennial, and contingent appropriation of \$1.0 million of state special revenue authority for use by MTAP should the federal government mandate a funding switch from federal to state revenue and have states assume payment for new technologies related to video relay service (VRS) and internet protocol (IP). The appropriation would make use of the handicapped telecommunications state special revenue account fund balance, and would be contingent upon a Federal Communications Commission ruling that the states pay for VRS and IP Relay. If the entire appropriation is spent, a minimum projected fund balance would be \$200,000 at the end of SFY 2009.

DP 10021 - Developmental Disabilities Program - Fed Authority - Additional federal Medicaid authority of \$2.0 million was added by the legislature for the biennium to provide appropriation authority for increases in federal grants or to maximize general fund under the Home and Community Based Waiver, which funds services to individuals with developmental disabilities. The federal authority would not require any future commitment of general fund dollars.

DP 10026 - VR Transition Counselor - The legislature added \$107,167 general fund over the biennium to support 1.00 FTE for a vocational rehabilitation counselor as part of the initiative to improve outcomes for young adults with disabilities. The counselor would work with local school districts to assist in identifying disabled students and coordinating available services they might use as they transition from high school into adult life.

DP 10501 - Provider Rate Increases (Restricted) - The legislature included \$0.34 million of general fund for increases in provider rates for the Vocational Rehabilitation and Low Vision Programs of 2.5 percent in FY 2008 with an addition increase of 2.5 percent for FY 2009. Implementation is to be October, 2007.

DP 10601 - Direct Care Worker Wage Increases (Restricted) - The legislature increased direct care worker wages with a \$1.6 million restricted appropriation each year of the biennium for a legislative initiative that increases the minimum wage from the \$8.00 per hour contained in the rate rebasing component of the Disability Services Division budget to \$8.50 per hour, and adds an additional \$0.19 cents per hour to the base wage component. Implementation is anticipated October 1, 2007.

Language

The legislature approved the following language for inclusion in HB 2.

The Governor vetoed some of the language. Vetoed language is shown in *italic*.

“Funding for MTAP New Technologies includes \$1,065,000 in biennial state special revenue in fiscal year 2008 for the Montana telecommunications access program that is contingent upon passage of federal communication commission regulations requiring states to pay for new technologies related to video relay service (VRS) and internet protocol relay (IP). Funding for MTAP new technologies may be expended only to replace federal funds for VRS and IP services.

Included in Disability Services Division / Reporting is \$200 in general fund money each year for a semi-annual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:

- (1) progress towards the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and*
- (2) attainment of measurable objectives as outlined in the division final template presented to the joint appropriations subcommittee on health and human services.*

If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by \$200.

Funding for DD Wait List Reduction may be expended only for developmental disabilities community services for persons who are on the waiting list and currently not receiving community services and for persons who are receiving some community services and are in need of further services.

Funds in Direct Care Worker Wage Increases must be used to raise direct care worker wages and related benefits through an increase in provider rates. Funds in Direct Care Worker Wage Increases may not be used to offset any other wage increase mandated by any other laws, contracts, or written agreements, which will go into effect at the same time as or after implementation of the appropriation included in Direct Care Worker Wage Increases. Funds in Direct Care Worker Wage Increases must be used first to raise the lowest paid direct care workers up to \$8.50 an hour and raise related benefits, and the remaining balance may be used to raise wages and related benefits of all direct care workers. To the extent of available appropriations, the department shall provide documentation that these funds are used solely for direct care worker wage and related benefits increases. The documentation must include initial wage rates, wage rates after the

rate increases have been applied, and wage rates every 6 months after the rate increases have been granted. *Disability Services Division/Reporting includes funding for a semiannual report for the legislative finance committee and the children, families, health, and human services interim committee summarizing direct care wage rates.*

Funds in Provider Rate Increases must be used to raise provider rates.

Provider Rate Increase will be implemented starting October 1, 2007.”